the remainder of the borrowings above $150,000. Interest on the Line of Credit shall accrue on the outstanding amounts drawn thereunder payable monthly at the Lenders Base Commercial Rate as it floats from time to time + 1.5% per annum.

First Tennessee Bank has agreed to provide the Company with a $5,000,000 Line of Credit over the next three years, subject to the Company securing the 3.5 years contract with the State of Tennessee and Lenders final due diligence with respect to the terms and conditions of the contract agreement between the Lender and the Company on loan pricing, collateral to be provided, covenants to be observed and on the form and content of loan documentation.

ATTACHMENT D

TENNESSEE DEPARTMENT OF EDUCATION

6th Floor, Andrew Johnson Tower
710 James Robertson Parkway
Nashville, Tennessee 37243-0381
(615) 741-2731

Jane Walters, Ph.D
Commissioner

March 20, 1998

To: Commissioner Walters

From: Jacqueline B. Shrago, RFP Coordinator

Re: RFP 97-2

Attached is the Proposal Score Summary Matrix for the two proposal responses received.

ATTACHMENT 9.6

PROPOSAL SCORE SUMMARY MATRIX
RFS # 97-2

JACQUELINE B. SHRAGO — 3/19/98
RFP COORDINATOR DATE — COMPILATION

	ENA		ISIS2000		[PROPOSER NAME]	
PROPOSER QUALIFICATIONS	(Maximum 10 Points)		(Maximum 10 Points)		(Maximum 10 Points)	
[Waldie	7		5			
[Shrago	10		10			
[Hoover	10		10			
[Kompare	9		9			
average:		9		8.5		
PROPOSER EXPERIENCE	(Maximum 15 Points)		(Maximum 15 Points)		(Maximum 15 Points)	
[Waldie	11		9			
[Shrago	14		13.5			
[Hoover	15		15			
[Kompare	12		11			
average:		13		12.125		
TECHNICAL APPROACH	(Maximum 45 Points)		(Maximum 45 Points)		(Maximum 45 Points)	
[Waldie	32		23			
[Shrago	38.5		21			
[Hoover	36		30			
[Kompare	35		30			
average:		35.375		26		
* **COST PROPOSAL**	(Maximum 30 Points)		(Maximum 30 Points)		(Maximum 30 Points)	
score for cost:		30		20.837		
PROPOSAL SCORE	(Maximum 100 Points)		(Maximum 100 Points)		(Maximum 100 Points)	
total score:		87.375		67.462		

Note: Use as many sheets as necessary to summarize scores for all Proposers evaluated.

	Formulas	Example1 from RFP	Example2 from RFP	ENA	ISIS Backbone	ISIS Optional
Total State & local (d.i)		$5,000,000	$4,750,000	$17,780,000	$17,653,709	$17,640,035
Other Funds (d.ii)		$0	$0	$7,500,000	$295,400	$295,400
Savings (d.iii)		$0	$250,000	$0	$129,616	$143,288
FCC funds pd. to proposer (d.iv)		$7,500,000	$8,125,000	$49,072,941	$33,196,659	$32,460,810
Total Numerator (d.v)	$0	$12,500,000	$13,125,000	$74,352,941	$51,275,384	$50,539,533
Total State & Local, excludes savings, FCC, other (d.i)						
Total Denominator (d.i)	$0	$5,000,000	$4,750,000	$17,780,000	$17,653,709	$17,640,035
Cost Factor	B8/b12	2.500	2.763	4.182	2.905	2.865
Calculation of Highest Cost Fact		0.905	1.000	1.000	0.695	0.685
Calculation of Cost Points	30.000	27.143	30.000	30.000	20.837	20.554

ATTACHMENT 9.5

COST PROPOSAL EVALUATION FORMAT

RFS # 97-2

ENA

Proposer Name

Jacqueline B. Shrago — 3/19/98

RFP Coordinator — Review Date

The RFP Coordinator shall use the following formula to calculate the Proposer's total proposed cost for State, Local funds, Other, Savings and FCC E-Rate funds for the service to be procured under the subject RFP during the total contract period.

[Attached spreadsheet(s), Attachment 9.2, to be completed and returned in Excel 95 format, version 5.0]

NOTE: If any hypothetical formula is to be used in calculating the total proposed cost given the proposed costs and a hypothetical utilization scenario, said hypothetical formula shall be referenced in the formula above, and the detailed hypothetical formula shall be filed with and approved by the Department of Finance and Administration Office of Contracts Administration prior to the date for opening proposals submitted under this RFP.

The RFP Coordinator shall use the following matrix to calculate the **SCORE** for the subject cost proposal (calculations shall result in numbers rounded to three decimal places):

1	Cost Factor for this proposal:	4.182
2	Highest Cost Factor from all proposals:	4.182
3	The amount calculated by dividing the factor in row one (1) by the factor in row two (2) above:	1.0
4	The maximum number of points that shall be awarded for the Cost Proposal category:	**30**
5	The product calculated by multiplying the amount in row three above times the number in row four above:	30
	THE NUMBER IN ROW FIVE (5) IS THE COST PROPOSAL SCORE	30

ATTACHMENT 9.5

COST PROPOSAL EVALUATION FORMAT

RFS # 97-2

ISIS2000

Proposer Name

Jacqueline B. Shrago — 3/19/1998

RFP Coordinator — Review Date

The RFP Coordinator shall use the following formula to calculate the Proposer's total proposed cost for State, Local funds, Other, Savings and FCC E-Rate funds for the service to be procured under the subject RFP during the total contract period.

[Attached spreadsheet(s), Attachment 9.2, to be completed and returned in Excel 95 format, version 5.0]

NOTE: If any hypothetical formula is to be used in calculating the total proposed cost given the proposed costs and a hypothetical utilization scenario, said hypothetical formula shall be referenced in the formula above, and the detailed hypothetical formula shall be filed with and approved by the Department of Finance and Administration Office of Contracts Administration prior to the date for opening proposals submitted under this RFP.

The RFP Coordinator shall use the following matrix to calculate the **SCORE** for the subject cost proposal (calculations shall result in numbers rounded to three decimal places):

1	Cost Factor for this proposal:	2.905
2	Highest Cost Factor from all proposals:	4.182
3	The amount calculated by dividing the factor in row one (1) by the factor in row two (2) above:	.695
4	The maximum number of points that shall be awarded for the Cost Proposal category:	**30**
5	The product calculated by multiplying the amount in row three above times the number in row four above:	20.837
	THE NUMBER IN ROW FIVE (5) IS THE COST PROPOSAL SCORE	20.837

ATTACHMENT 9.5

COST PROPOSAL EVALUATION FORMAT

RFS # 97-2

ISIS2000 (optional)

Proposer Name

Jacqueline B. Shrago 3/19/1998

RFP Coordinator Review Date

The RFP Coordinator shall use the following formula to calculate the Proposer's total proposed cost for State, Local funds, Other, Savings and FCC E-Rate funds for the service to be procured under the subject RFP during the total contract period.

[Attached spreadsheet(s), Attachment 9.2, to be completed and returned in Excel 95 format, version 5.0]

NOTE: If any hypothetical formula is to be used in calculating the total proposed cost given the proposed costs and a hypothetical utilization scenario, said hypothetical formula shall be referenced in the formula above, and the detailed hypothetical formula shall be filed with and approved by the Department of Finance and Administration Office of Contracts Administration prior to the date for opening proposals submitted under this RFP.

The RFP Coordinator shall use the following matrix to calculate the **SCORE** for the subject cost proposal (calculations shall result in numbers rounded to three decimal places):

1	Cost Factor for this proposal:	2.865
2	Highest Cost Factor from all proposals:	4.182
3	The amount calculated by dividing the factor in row one (1) by the factor in row two (2) above:	.685
4	The maximum number of points that shall be awarded for the Cost Proposal category:	**30**
5	The product calculated by multiplying the amount in row three above times the number in row four above:	20.554
	THE NUMBER IN ROW FIVE (5) IS THE COST PROPOSAL SCORE	20.554

ATTACHMENT E

ATTACHMENT F

ATTACHMENT G

This leads to the following conclusions:

No amount of expanded bandwidth to the Internet will overcome the fact that education sites are extremely popular and, consequently, extremely busy at critical instruction times during the day. This condition creates a less predictable, less reliable tool for teachers. **Teachers will not utilize Internet resources in curricula until those resources are available when they need them in a regular predictable manner.**

In order to achieve predictable delivery of web information, the Internet must be brought to the school -- rather than the school going out to the Internet. Caching technology is the key to making this possible for the entire ConnecTEN network on a fair and equitable basis. This is achieved in ENA's network design with the extensive deployment of caching servers and expanded bandwidth to access these servers.

CDS vs. Frame Relay

In deciding on a network access method, ENA chose Connectionless Data Service (CDS) over Frame Relay for the ConnecTEN network. While both are highly reliable and scaleable services, CDS has certain qualities that fit the ConnecTEN network better than Frame Relay. (Please read the Appendix H "CDS and Frame Relay for Normal People" for a primer on CDS and Frame Relay terminology, if necessary.)

ENA's decision to use CDS is based on the following:

- CDS service inherently provides "many-to-many" connectivity, whereas Frame Relay requires a massive number of PVCs to achieve the same many-to-many connectivity.
- CDS service is a more cost-effective service. Frame Relay has additional cost elements, but provide the same functionality as CDS service.
- The current OIR Backbone uses CDS for its Intra-LATA transport from the TAP sites. ENA's implementation of CDS will completely mesh with the current OIR CDS Backbone.

Maximize E-Rate Funds

Because of ENA's experience in planning the current network with a somewhat dynamic budget amount, ENA's members and partners have a proven track record of adjusting to change and keeping the network operational. Therefore, ENA submits its proposal to manage the network with or without the potential additional resources of E-Rate funding. If the funding remains static at current budget levels, we believe we can still achieve improved network performance levels. Improvement areas include enhanced routing and domain name service (DNS) capabilities. In addition, ENA will work with local education agencies and the State Legislature to identify alternative funds for network-wide and local upgrades.

ENA has taken very seriously the Department of Education's request in RFP Section 5.2.4.1.3 to propose a creative approach to enable Tennessee schools to take advantage of E-Rate discounts. ENA's technical design and cost projections strive to provide resilience in a fluctuating funding environment. To maximize the benefits of potential E-Rate funding in the first six months, ENA plans an aggressive build-out of the network with installation of Education Hub Sites, caching servers and new routers. This approach offers benefits to every student immediately, even if funding for additional bandwidth is not available or if E-Rate funding is discontinued after the initial six months.

The ENA design strives to support the target service level of two web pages per minute. Under ENA's deployment plan, 100 percent of K-12 students and teachers will achieve the target service level within the first 18 months of the contract. The maximum level of service improvements will

5.2.3.3 A list, if any, of all current contractual relationships with the State of Tennessee or those completed within the previous five year period — the listing should include the contract number, contract term, and procuring state agency for each reference.

5.2.3.4 Customer references for similar projects providing implementation and management services for IP networks of at least 1500 sites, geographically dispersed, using ISDN lines, and requiring end user desktop support representing six accounts currently serviced by the vendor or completed projects — for each reference, include:

— the company name and business address;
— the name, title, and telephone number of the company contact; and
— a brief description of the service provided and the period of service, including number of sites, the type of contractor responsibility and whether that includes support to the desktop, whether it includes ISDN lines, and whether it has included any responsibility for developing software code for vendor products in support of network operations.

5.2.4 Technical Approach — The Proposer shall describe the vendor's plans and approach for accomplishing the work requested. The information provided shall be in enough detail to enable the State to ascertain the Proposer's understanding of the effort to be accomplished and should outline the steps in the total service proposed. Technical Proposals shall provide the following narrative information (referencing the subsections in sequence) to evidence the suitability of the Proposer's technical approach to delivering the services sought under this RFP:

5.2.4.1 Proposers must provide a comprehensive narrative, captioned "Project Understanding," that illustrates the vendor's understanding of the State's requirements and project schedule.

5.2.4.1.1 Scalability. Maximizing Internet bandwidth and capability within the given budget constraints is a key objective of the ConnecTEN upgrade. The State currently has approximately 40,000 computers on the ConnecTEN network in approximately 1800 locations. The number of computers at these locations could easily grow to 100,000 or more during the contract period. Proposers should define how their proposed solution scales to satisfy growing bandwidth and capability requirements of each school and of the network. The proposer should define the technical rationale and priority of changes to the existing network. The proposer should also define the functionality, equipment and bandwidth of each site as it is proposed to change and the criteria for causing the change.

5.2.4.1.2 Response to K-12 Need. The proposer should define functionality that can be effectively used and viable in the average Tennessee K-12 classroom, including the limitations of existing workstations. Functionality which may be possible on the Internet but requires workstation upgrades will not be considered as viable in responding to K-12 need. All increased functionality must be a part of the network upgrade made by the proposer, including all costs to support such enhancements.

5.2.4.1.3 Creativity. The FCC E-rate funding is a very unique opportunity for Tennessee schools to take advantage of very sizeable discounts and spend the currently available recurring dollars to buy significantly more functionality than would otherwise be possible. Therefore it is desirable for proposers to consider creative approaches to this situation, including any purchase of existing equipment, resale or salvage of existing equipment. The State, however, will take no responsibility to pay proposers for services beyond the amount available as indicated in its current recurring expenditures, detailed in the Cost Proposal section. Also describe how the functionality, equipment and bandwidth of each site would be affected if the 1998 or future applications from the State of Tennessee are not approved by the FCC and the network were to be dependent solely on State Department of Education and Local resources. The proposer shall define capabilities in every period if the E-Rate funding is not available in any period, i.e., define the capabilities in July 1-Dec. 31, 1998 with and without E-Rate funding and for each calendar year thereafter with and without E-Rate funding for the life of the contract.

5.2.4.1.4 Quality of Service. Proposer should define performance measures that are the most robust that can be established within the budgetary constraints. This should include metrics of network availability and end user access on a daily basis and as the network grows and as the demand at each individual site grows. The proposer should define target performance levels, minimal performance levels and the strategy for achieving these. The proposer should also define the rationale and priority for each defined level.

ATTACHMENT H

5.3 Cost Proposal

Education Networks of America (ENA) has formed an unparalleled team of companies–all of whom are recognized for outstanding achievement in their respective fields. The ENA team understands that the goal of the State of Tennessee, Department of Education is to expand the capabilities of the ConnecTEN network in order to improve instructional opportunities for all K-12 students and teachers. The ENA proposal is based on fulfilling four key components:

- assemble the right **People**
- define and achieve the right **Service**
- identify and implement the right **Technology**
- secure maximum opportunities of E-Rate **Funding**

ENA submits the enclosed Cost Proposal in concert with its team partners: BellSouth Business Systems, ISDN-Net, Inc., Lucent Technologies and NCR.

ENA together with its team partners will provide a fee based, complete turn-key service that will be implemented effective July 1, 1998. Our proposal is based on a simple concept. We propose to provide different levels of service, with increasing functionality, as described in the Technical Proposal. The proposed cost for each level of service, as detailed in the accompanying materials, involves two components: a recurring fee and a one-time fee for that enhanced level of service. As more fully explained below, the enhanced levels of service are related to the use of additional resources available to the State through our purchase of the network and upon E-Rate discount availability.

ENA will provide a K-12 service network that will connect to the Tennessee Network Information Infrastructure (TNII) in the manner that mirrors how ConnecTEN currently operates. ENA will purchase TNII access from Office of Information Resources (OIR) at the rate specified in the RFP, which is understood to be inclusive of any taxes, licenses, access fees and any other miscellaneous fees. We consider that to be the most cost-effective method of providing network services on July 1. Our network service will include Internet connectivity for every K-12 school in Tennessee at the level of service as described in the Technical Proposal (Sections 5.2.1-5.2.4). ENA's proposal is focused on the best and most likely way to secure E-Rate funding, thus deriving the maximum benefit of State resources.

ENA's provision of turn-key service addresses the FCC's December 1997 Fourth Order discussion of issues regarding State owned networks. Because the State of Tennessee, Department of Education has chosen to be a purchaser of services on behalf of the consortium of Tennessee K-12 schools, ENA's proposal for a complete turn-key service will meet the FCC's Fourth Order requirements.

A "Basic Level of Service" will be provided at the current level of state funding combined with the value achieved from the State's sale of the current network as salvage to ENA. Other funds offered by the proposer totaling $7.5 million is for all rights, title and interest the State currently holds in this network called ConnecTEN. This fee is all inclusive of any taxes and miscellaneous fees. The salvage value of the current network is based on ENA's need for its use during the eighteen (18) month service level improvement period, and its ongoing functionality in the event E-Rate funding is never realized or is lost after 1998. In summary, the Basic Level of Services include Internet connectivity achieved through a router in each school connected by an ISDN line to an Education County Router, which in turn connects to OIR's county TNII Access Point (TAP). A current level help desk and maintenance program that meets all of the requirements outlined

in the pro forma contract is also included. Increased levels of service, beyond the Basic Level of Service will be the result of the use of E-Rate funding over the life of the contract.

ENA will provide new service levels described in the Technical Proposal during the prescribed periods. Each service level upgrade will be charged as a one-time fee as explained below. Each of these levels of service will be provided throughout the life of the contract. These service levels are designed to be self-supporting with the exception of bandwidth, help desk and ongoing services. All routers, caching servers and other equipment are scaleable. This means that if additional resources are found then higher service levels can be considered at very reasonable incremental costs. If E-Rate funding is lost, the network can return to a Basic Level of Service until E-Rate funding is restored or other resources are located. **ENA provides a return to "Basic Level of Service" Guarantee.** This guarantee permits the orderly return to single ISDN line service over a period of time so that there is always service.

ENA's Cost Proposal maximizes the use of available State funds for E-Rate matching at the earliest possible date because future E-Rate funding is a greater uncertainty in later years. This financial concern, combined with the near emergency shortage of network capacity, led to ENA's accelerated the expansion of the network. Therefore, all of the network purchase salvage value and a portion of the State's FY 1998-99 funds are used in the first six months. The balance of the FY 1998-99 State and local funds and a disproportionate amount of the FY 1999-2000 State and Local funds are used in the FCC's 1999 calendar year funding period. This permits the maximum level of service improvements to be accomplished in the first eighteen (18) months of the contract, ensuring the best possible performance levels should E-Rate funding be lost in the year 2000.

The first-18 month period has the largest share of costs for any comparable period. These costs are primarily comprised of one-time fees necessary to increase service level categories. The design employed by ENA is to charge a one-time fee for each service level category or network improvement provided. Consequently, no additional charges will be made relative to any fixed costs required to sustain that service-level category.

Each service level or category of service has an ongoing cost that is almost exclusively related to the bandwidth, field service, maintenance, administration, help desk and other similar costs related to that level of service. Each service level category of service provides for a return to reduced levels of bandwidth, administrative and help desk services that the state can afford without an E-Rate supplement. Our response to Section 5.2.4.1.3, Creativity, illustrates the service-levels with or without E-Rate funding at the end of months six (6), eighteen (18), and thirty (30) of the contract period, which also represents the end of the FCC's E-Rate calendar years. The cost of returning to reduced service levels, including the installation of single ISDN lines that have been replaced by Connectionless Data Service (CDS) lines, is the responsibility of ENA.

ENA's bandwidth strategy is to provide upgraded bandwidth to all necessary locations in the first eighteen (18) months (estimated at 1400 upgrades) through new scaleable service level routers in all locations and the related equipment. This coupled with a comprehensive caching strategy, improves performance and reliability for every school. These new levels of service are paid for in one-time, non-recurring fees.

An element of this design and others must include a planned phase-back in the cost of bandwidth in the event of E-Rate funding loss. ENA's design maintains 100 percent capacity to scale back to affordable ISDN service. ENA will uninstall CDS and reinstall ISDN at its expense if E-Rate funding is lost. In the event funding is reduced, the reduction in service will be proportional. This service level change could take up to twelve (12) months, and there will be no interruption

of service even though state and local funding alone will not pay the costs of CDS during the conversion period.

A separate Cost Proposal for the following E-Rate funding scenarios is included in this proposal and a description of the services with and without E-Rate funding is included in the Technical Proposal:

- Full E-Rate funding for 3.5 years with a 66% discount rate
- No E-Rate funding at any time
- E-Rate funding for calendar year 1998 only (No E-Rate funding after six (6) months)
- E-Rate funding for calendar years 1998 and 1999 only (No E-Rate funding after eighteen (18) months)
- E-Rate funding for calendar years 1998, 1999 and 2000 only (No E-Rate funding after thirty (30) months)

The RFP requires that "costs that will be paid by the State and Local Education recurring resources must be shown separately from those that will be paid to the proposer by the FCC E-Rate Fund". All schedules in the Cost Proposal show this separation. Assuming No E-Rate funding, ENA shows the costs of services that will be provided by State and Local Education recurring funds to be the "Local Site Total Costs", "State Backbone & Internet" and "Other recurring costs" as outlined in the Cost Proposal Exhibit called "No E-Rate Funding". The portions of the payments in the Cost Proposal that are paid by State and Local sources (including our proposed salvage) to ENA are included in the provision of ENA's Basic Level of Service. These are listed on the schedule labeled "No E-Rate Funding" as "Local Site total costs", "State Backbone & Internet", "Other One-Time costs" and "Other Recurring costs" which include the current level of equipment maintenance and network operations/help desk, as described in RFP Pro Forma Contract. The attached schedule in the Cost Proposal titled "No E-Rate Funding" assumes there will be no E-Rate funding. The other schedules in the Cost Proposal titled "Full E-Rate Funding", "No E-Rate Funding After 6 Months", "No E-Rate Funding After 18 Months" and "No E-Rate Funding After 30 Months" assume full or partial E-Rate funding. With or without E-Rate funding, 100 percent of State and Local funds will be used to provide the services outlined in the Creativity Section of the Technical Proposal, which describes the services of the network with and without E-Rate funding.

To the extent there is E-Rate funding, State & Local funds pay a portion of the ENA fee, and therefore the State & Local funds pay a portion of all costs.

ENA wishes to note that commitments for the first six months of E-Rate funding should be completed by the SLC before the contract begins, and the next twelve months of E-Rate funding should be committed by late 1998.

Immediately upon execution of a contract, and the confirmation of E-Rate funding for the first six months of the contract, ENA will begin staging the process to install hardware and upgraded telecommunication services necessary to provide increasing levels of service on July 1. Every element installed in this or other six month periods will afford better service in future periods even if E-Rate funding is lost. This category of service will be billed to the state as outlined in the attached schedules. Each six-month period will be defined by an increased category of service and a different fee for that period.

The Technical Proposal describes how each new service level provides immediate and long-term improvements for every school regardless of the availability of E-Rate funding in future calendar years.

In addition to the discussion above and the required spreadsheets attached, ENA responds:

5.3.1 Understood and complied with.

5.3.2 ENA is willing to submit its invoices to the FCC E-Rate fund for payment. Remainder of 5.3.2 understood and compliant.

5.3.3 ENA is aware of FCC E-Rate rules and procedures and is compliant as a vendor of services. The calculations described in Section 6.2.7 have been followed. All cost information as required has been provided.

5.3.4 Understood and complied with.

5.3.5 ENA proposes to continue use of the State Backbone and consider that choice the most cost-effective.

The proposed costs contained herein and the submitted Technical Proposal associated with this Cost Proposal shall remain valid for at least one hundred twenty days (120) days subsequent to the date of the Cost Proposal opening and thereafter in accordance with any resulting contract between the Proposer and the State.

A. F. Garnier III 2/27/98

Proposer Signature and Date

ENA Quarterly Service Levels

One time system delivery or upgrade of service

		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th
Level of Service		Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr	Qtr
I	Basic Network Delivered	X													
II	Network Expansion Module	X													
III	Regional Education Hubs	X													
IV	Major Metro Hubs	X													
V	County Caching	X	X	X	X	X	X								
VI	Major School Caching	X													
VII	Large School Caching		X	X											
VIII	Dual ISDN Group 1	X													
IX	Dual ISDN Group 2		X												
X	Broad Band Group I	X													
XI	Broad Band Group 2		X												
XII	Broad Band Group 3			X											
XIII	Broad Band Group 4				X										
XIV	Broad Band Group 5					X									
XV	Broad Band Group 6						X								
XVI	Broad Band Group 7							X							
XVII	New ISDN Routers I	X													
XVIII	New ISDN Routers II		X												
Ongoing Service levels															
Basic Bandwidth		X	X	X	X	X	X	X	X	X	X	X	X	X	X
OIR Annual Connection		X				X				X				X	
Dual ISDN		X	X	X	X	X	X	X	X	X	X	X	X	X	X
Broad Band Groups		X	X	X	X	X	X	X	X	X	X	X	X	X	X
NCR Support		X				X				X				X	
Basic Help Desk		X				X				X				X	
Installation Management		X				X									
Network Downgrade guarantee		X	X	X	X	X	X	X							
Annual Maintenance		X				X									
Annual Field Service Fee		X				X				X				X	
Network Capacity Supplement		X	X	X	X	X	X	X	X	X	X	X	X	X	

NOTES: All one time upgrades include hardware, software, unit engineering, field installation and testing.

X illustrates the timing of payment for services assuming full e-rate funding for the contract period.

FULL E-RATE FUNDING

Proposed Type of Expense	# of Sites	6 mo per site cost	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs.***
Local Site total costs: (a)										
Sites with < 30 computers	400	$360	$ 144,000	$ 144,000	$ 144,000	$ 144,000	$ 144,000	$ 144,000	$ 144,000	$ 1,008,000
Sites with 30-60 computers	1000	$360	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 360,000	$ 2,520,000
Sites with 61-120 computers	300	$360	$ 108,000	$ 108,000	$ 108,000	$ 108,000	$ 108,000	$ 108,000	$ 108,000	$ 756,000
Sites with >120 computers	100	$360	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 36,000	$ 252,000
Subtotal for local sites	1800		$648,000	$648,000	$648,000	$648,000	$648,000	$648,000	$648,000	$4,536,000
State Backbone & Internet (b)	95	$10,596	$1,006,620	$1,006,620	$1,006,620	$1,006,620	$1,006,620	$1,006,620	$1,006,620	$ 7,046,340
Any additional Backbone cost (c)			$110,775	$110,775	$116,050	$142,425	$142,425	$142,425	$142,425	$ 907,300
Other one-time costs (c)			$17,684,251	$2,511,695	$1,557,695	$233,253	$50,000	$50,000	$50,000	$22,136,894
Other recurring costs (c)			$5,550,354	$7,722,910	$4,730,459	$4,852,055	$5,623,543	$5,623,543	$5,623,543	$39,726,407
Total All Costs (h)			$25,000,000	$12,000,000	$8,058,824	$6,882,353	$7,470,588	$7,470,588	$7,470,588	$74,352,941
(sum check) (h)										$74,352,941
Sources of Payments(d)										
Amount paid by State & Local*(d.i)**			$1,000,000	$4,080,000	$2,740,000	$2,340,000	$2,540,000	$2,540,000	$2,540,000	$ 17,780,000
Amount of Other Funding offered by proposer (d.ii)			$7,500,000	$0	$0	$0	$0	$0	$0	$ 7,500,000
Savings from existing State & Local paid to proposer for expansion (d.iii)			$0	$0	$0	$0	$0	$0	$0	$0
Discount paid by FCC to proposer(d.iv)			$16,500,000	$7,920,000	$5,318,824	$4,542,353	$4,930,588	$4,930,588	$4,930,588	$ 49,072,941
Total All Payments: * (d.v)**			$25,000,000	$12,000,000	$8,058,824	$6,882,353	$7,470,588	$7,470,588	$7,470,588	$74,352,941
(sum check)										$74,352,941
Total Savings proposed by vendor under current state & local costs (e)			$0	$0	$0	$0	$0	$0	$0	$0

Calculations of FCC discount for each 6 mo. Period	Disc % **	1st 6 mo. Jul-Dec 98*	2nd 6 mo. Jan-Jun 99*	3rd 6 mo. Jul-Dec 99*	4th 6 mo. Jan-Jun 00*	5th 6 mo. Jul-Dec 00*	6th 6 mo. Jan-Jun 01*	7th 6 mo. Jul-Dec 01*	Total 3.5 yrs***
Costs eligible for FCC discount	66%	$25,000,000	$12,000,000	$8,058,824	$6,882,353	$7,470,588	$7,470,588	$7,470,588	$74,352,941
Costs ineligible for FCC disount	0%	$0	$0	$0	$0	$0	$0	$0	$0
Sum of all discounts from FCC		$16,500,000	$7,920,000	$5,318,824	$4,542,353	$4,930,588	$4,930,588	$4,930,588	$49,072,941
(sum check)									$49,072,941

*See explanatory note (g)
**See explanatory note (f)
***See explanatory note (h)